

Message Text

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PAGE 01 KUWAIT 00395 301320Z

46

ACTION NEA-13

INFO OCT-01 EUR-25 ISO-00 FEA-02 INT-08 CIAE-00 DODE-00

PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10 PA-04 RSC-01

PRS-01 SPC-03 SS-20 USIA-15 SAM-01 AID-20 COME-00

EB-11 FRB-02 TRSE-00 XMB-07 OPIC-12 CIEP-02 LAB-06

SIL-01 OMB-01 SAI-01 SAB-01 IO-14 ACDA-19 MC-02 DRC-01

/227 W

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R 301257Z JAN 74

FM AMEMBASSY KUWAIT

TO SECSTATE WASHDC 8651

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY LONDON

AMEMBASSY MANAMA

AMEMBASSY TEHRAN

AMEMBASSY MUSCAT POUCH

C O N F I D E N T I A L KUWAIT 0395

BEIRUT POUCH BAGHDAD

EO 11652: GDS

TAGS: PFOR UK XF

SUBJ: LORD BALNIEL'S VISIT TO KUWAIT

REF: LONDON 1256

SUMMARY. BALNIEL VISITED KUWAIT JAN 20-23 AT END OF GULF STATE
TOUR. VISIT WAS PRIMARILY FOR GOOD WILL AND AREA FAMILIARI-
ZATION RATHER THAN SUBSTANTIVE MATTERS, BUT OIL, FINANCIAL,
AND OTHER MATTERS WERE DISCUSSED, WITH OIL PRICE PROBLEM
HIGHLIGHTED. END SUMMARY

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PAGE 02 KUWAIT 00395 301320Z

1. LORD BALNIEL, BRITISH MINISTER OF STATE FOR MIDDLE EAST AFFAIRS, VISITED KUWAIT JAN 20-23. HE MET WITH ALL TOP-LEVEL GOK MINISTERS AND HELD PRESS CONFERENCE AT AIRPORT JUST PRIOR TO HIS DEPARTURE.

2. LORD BALNIEL'S PRESS STATEMENT POINTED OUT THAT HE WAS FIRST MINISTER FROM FCO TO VISIT GULF SINCE TERMINATION OF BRITAIN'S SPECIAL TREATY'S RESPONSIBILITIES IN 1971. REASON FOR BALNIEL'S VISIT TO KUWAIT AND GULF WAS STATED TO BE STRENGTHENING RELATIONS WITH THE VARIOUS STATES AND EXCHANGING VIEWS CONCERNING PROBLEMS RELATED TO THE SUPPLY AND PRICE OF OIL, ESPECIALLY NOTING BRITISH AND EUROPEAN CONCERN AT LIKELY IMPACT OF CURRENT OIL PRICES ON WORLD ECONOMY.

3. LOCAL NEWS REPORTERS PRESSED LORD BALNIEL RE SUNDAY TIMES STORY THAT BRITISH JEWS HAD COLLECTED AND SENT FIFTY MILLION POUNDS STERLING TO ISREAL TO SUPPORT ITS WAR EFFORT AFTER OUTBREAK OF HOSTILITIES IN OCTOBER. BRITISH AMBASSADOR WILTON CATEGORICALLY DENIED STORY. IN RESPONSE OTHER QUESTIONS BALNIEL DENIED HE HAD SIGNED OIL-ARMS BARTER DEAL WITH SAUDI ARABIA OR THAT HE HAD DISCUSSED ANY ARMS DEAL WITH KUWAIT. HE SAID ARAB PRESS HAD "MISTAKENLY PORTRAYED" BRITISH ACTION IN LIFTING ARMS EMBARGO TO MIDDLE EAST AS INTENDED TO ARM ISRAEL AND EMPHASIZED THAT "SPECIAL TERMS AND CONDITIONS" OF BRITISH ARMS SALES APPLIED UNIFORMLY TO ALL. RE OMAN, LORD BALNIEL DENIED LOCAL REPORTS OF IRANIAN "INVASION" OF OMAN AND SAID IRANIAN TROOPS HAD COME TO OMAN ONLY AT REQUEST OF SULTAN. HE SAID PURPOSE OF HIS OWN VISIT TO OMAN WAS TO DISCUSS OMAN GOVERNMENT'S NEED FOR EQUIPMENT AND TECHNICIANS. STATUS OF KUWAITI DEPOSITS IN BRITISH BANKS HAD BEEN DISCUSSED, LORD BALNIEL SAID, BUT HE DENIED REPORTS THAT BRITAIN HAD OFFERED ANY FIXED RATE OF STERLING AS INDUCEMENT TO PREVENT KUWAITI WITHDRAWALS FROM BRITISH BANKS.

4. COMMENT: BRITISH AMBASSADOR AND EMBOFFS HAVE GIVEN US RUNDOWN ON VISIT WHICH GENERALLY FOLLOWS INFO REFTTEL. AMIR WAS APPARENTLY AT HIS WORST, JOKINGLY SUGGESTING HE, LORD BALNIEL AND AMBASSADOR WILTON PARADE STREETS OF KUWAIT WITH PLACARDS DEMANDING REDUCTION IN PRICE OF OIL* VISIT WAS CHARACTERIZED BY BRITS HERE AS PRIMARILY FOR GOOD WILL AND CONFIDENTIAL

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PAGE 03 KUWAIT 00395 301320Z

MINISTER'S FAMILIARIZATION WITH THE AREA, WITH LITTLE OF SUBSTANCE EXPECTED OR REALIZED.
STOLTZFUS

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